

025331

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS**

This Declaration of Covenants, Conditions, and Restrictions is made on the 31st day of August, 2002, by Grigio Partners Ltd. and Sun Vail I Ltd. (collectively referred to as "Declarant") whose mailing address is P.O. Box 1249, San Marcos, Texas, 78667.

- 1. Declarant is the owner of all that certain real property ("the property") located in Caldwell County, Texas, described in Attached Exhibit "A".**
- 2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.**
- 3. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, the Declarant, and each successive owner of an interest in the Property.**
- 4. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions and restrictions in furtherance of this general plan development.**
- 5. Article IV Sections 1 through 4 on page 4 are additionally set forth and incorporated herein and these restrictive covenants, conditions, and restrictions consist of Articles I, II, III, IV on pages 1, 2, 3, 4.**

NOW, THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions:

**AMENDED
Covenants and Restrictions of a 345.00 acre tract
Attached as Exhibit "A"**

**Article I
Property Rights**

1. Easements

A) All tracts to have fifteen foot (15') easement around all perimeter partitioned lot lines for the purpose of running utilities, including Bluebonnet Electric Co-op., Polonia Water Supply Corp. and private water lines. Additionally, a Thirty foot (30') easement is retained along all partitioned tracts fronting County Road 178 and County Road 177 of which the first ten feet (10') is for the purpose of Caldwell County widening the road right-of-way and the next twenty feet (20') is for the purpose and benefit of Polonia Water Supply Corp., Bluebonnet Electric Co-op or private service lines. Within these easements, no dwelling, structure, planting, or other material shall be placed or permitted to remain thereon which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements. The Owner of such Lot, except for maintenance of which a public utility company is responsible, therein shall continuously maintain the area of each Lot and all improvements.

B) Such easements, reservations, and rights of way shall at all times be open and accessible to public and quasi-public corporations, their employees and contractor, and shall also be open and accessible to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under, and above such locations to carry out any of the purposes for which such easements, reservations and rights of way are reserved.

**Article II
Use Restrictions**

The tract shall be occupied and used only as follows:

2-1 Each tract shall maintain a residential appearance. No structure may be placed closer than one hundred fifty feet (150') from the public or private access point without written permission of the Architectural Control Committee.

2-2 No obnoxious or offensive activities shall be carried on upon said Lot or Lots, nor shall anything be done thereon which may be or become an annoyance or a nuisance to the neighborhood. No portion of the property shall be used in a manner that adversely affects adjoining lots or creates any annoyance or nuisance to other lot owners. This shall include noise pollution such as barking dogs, loud music or any other animal or fowl that creates a nuisance.

2-3 The raising or keeping of hogs on any part of the tract is strictly prohibited. The raising of horses and cows shall be allowed, but shall be limited to one head per acre. No swine shall be permitted, nor shall any cattle feeding, fowl feeding and other feeding or commercial operations, expressly including commercial kennels, be permitted all of which are expressly prohibited, except animals for 4-H or FFA purposes. If any member of an owner's family is under the age of nineteen (19) and is a bonafide member of a 4-H Club or Future Farmers of America Club, then one animal per each member (but not in excess of three) shall be permitted for the purpose of raising each animal for competition or as part of a club project, provided, however, that (1) such animal shall be kept in a sightly pen or other structure, (2) the lot shall be kept clean and in a sanitary and odorless condition, and (3) the animal shall be removed from the lot upon completion of the competition or club project. Chickens (no guinea fowl or peafowl) shall be permitted provided their number is limited to three (3) per acre. Exotic Game shall be allowed upon the property, with the exception of those that would affect the health, safety and or welfare of any of the landowners with the subdivision.

Any and all animals, including household pets, require appropriate fencing to confine them to their lot. No animal shall be permitted until the appropriate fencing is completed.

2-4 No rubbish, trash, garbage, or other waster material, shall be kept on any Lot except in sanitary containers located in appropriate areas concealed from public view.

2-5 No fence, hedge, wall, or other dividing instrument over eight (8) feet in height measured from the ground on which it stands shall be constructed or maintained on any Lot.

2-6 No outbuilding, basement, tent, shack, garage, shed, or temporary building of any kind shall be used as a temporary or permanent residence.

2-7 No repairing of motor vehicles requiring more than three (3) days to complete shall be permitted of such Lots. No motor vehicle shall be left parked, abandoned or otherwise unattended in specific location on any portion of any Lot or street within the Subdivision for more than five (5) days. No motor vehicle, which is not in operating

condition or not bearing current license plates, shall be placed or permitted to remain on the street or on any portion of any Lot. Restoration of vehicles is permitted providing all work, parts and framework are done in a concealed garage.

2-8 Iron ore, top soil, clay, gravel, or marketable timber (including firewood) shall not be mined or sold until land is paid in full.

2-9 Each inhabited structure constructed on this tract shall be connected to a septic tank with capacity and drain field installed in accordance with the regulations of the County Health Officer and shall be inspected and approved by such Officer. This restriction is enforceable by the County Health Unit and/or the Seller of the tract of land. Prior to construction Owner of said Lot(s) shall contact said Health Officers for approval of individual septic systems.

2-10 One (1) single-family dwelling is allowed per tract. If a second residence is built or placed on said lot, then an additional water meter is to be installed or water well is to be drilled and an adequate septic system to be in place. However, the Architectural Control Committee shall have the authority to allow more than one residence per tract. Tracts may only be re-subdivided as it applies under State Statue and per Article IV of "other restrictions" as recorded on August 20, 2002, Clerk's File Number 024739, Caldwell County Official Records, Caldwell County, Texas, however no tract shall be less than 5 acres.

2-11 Purchaser may dispose of timber for building sites and gardens, but must leave ample trees for shade over tract.

2-12 All driveways are to be installed and maintained by Purchaser.

2-13 The Architectural Control Committee must approve the placement of any fence in writing. If a fence is installed without the Architectural Control Committee's prior approval, the fence is subject to being removed without notice.

Article III Architectural Control

All dwellings or housing must be approved in writing prior to the placement of the home, or the ground breaking for the construction of the dwelling or housing structure by the Architectural Control Committee.

3-1 The ground area of each dwelling, exclusive of porches, carports, and storage spaces shall not be less than 1200 square feet. All temporary living quarters of less than 1200 square feet may be used with written permission from the A.C.C., but 270 days from placement is the maximum amount of time a temporary living structure may be in place on the Lot. Permission may be revoked at any time as deemed necessary by the A.C.C. All homes whether site built or manufactured and/or mobile, must have exterior construction completed in its entirety no more than 180 days from ground breaking or placement on the tract.

3-2 Mobile homes shall be underpinned or skirted within 60 days from date placed on the property.

3-3 The restrictions on manufactured home placement apply both to original and to subsequently installed homes.


3-5 COMMITTEE MEMBERSHIPS. The Architectural Control Committee is composed of S.E. RUTLEDGE, BILL RADFORD & DONALD SCHAW. In the event of death or resignation of any member of the Committee, the remaining member shall have full authority to designate a successor.


3-6 RIGHT OF WAIVER. The Committee shall have the right to waive any restriction if the Committee deems such waiver to be in the best interest of the Lot Owner and such action will not alter the general scheme of the adjoining tract.

3-7 Seller is not responsible for any rollback taxes due to the change in use of said property from agricultural to non-agricultural. It is the purchaser's responsibility to individually apply for agricultural use and to pay such roll back if enforced.

3-8 These restriction are enforceable by the Seller or any individual Purchaser or Owner of any tract or lot out of all or part of these 345.00 acres as shown on the attached Exhibit A. These Restrictions shall be effective for a term of twenty (20) years from the effective date, after which time said Restrictions shall be automatically extended for successive periods of ten (10) years. These Restrictions may be amended by an instrument signed by not less than seventy five percent (75%) of the tract or lot owners of the Subdivision, with an amendment recorded in the official records of Caldwell County, Texas. Further, Declarant reserves the right to unilaterally amend these Restrictions for five (5) years from the effective date hereof in order to make corrections of typographical or grammatical errors, oversight, ambiguity or inconsistency appearing herein, provided that any such unilateral amendment by the Declarant shall be consistent with and in furtherance of the general plan and scheme of development of the acreage.

3-13 There is currently a grazing lease on the entire 345.00 acres. The term of lease begins August 19, 2002 and is for a period of 1 year, commencing on the date hereof. It is each Purchaser/Owners responsibility to install a gate and/or cattle guard to prevent cattle from getting onto the county road. It is further the responsibility of Purchaser who installs a gate to keep it closed at all times. Any Purchaser of any tract of land who elects not to have livestock grazed upon his property under the existing lease will need to fence off his property. ANY CHANGE OF USE OF PROPERTY COULD RESULT IN A ROLLBACK TAX. WHICH WILL BE THE RESPONSIBILITY OF EACH LOT OWNER. SELLER IS NOT RESPONSIBLE FOR ANY ROLLBACK TAXES DUE TO THE CHANGES IN USE OF SAID PROPERTY FROM AGRICULTURAL TO NON-AGRICULTURAL. IT IS PURCHASERS RESPONSIBILITY TO INDIVIDUALLY APPLY FOR AGRICULTURAL USE AND PAY SUCH ROLLBACK IF ASSESSED.


S.E. Rutledge, President SE & JL Inc.
General Partner, Sun Vail I Ltd.


Donald Schawe, President Frosty Bill Inc.
General Partner, Grigio Partners Ltd.

STATE OF TEXAS *
COUNTY OF HAYS *

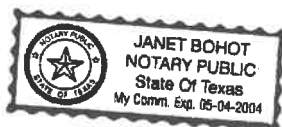
This instrument was acknowledged before me on the 31st day of August, 2002, by S.E. Rutledge, President of SE & JL Inc., General Partner, Sun Vail I Ltd. a Texas Partnership.

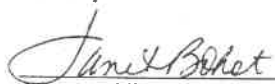



Notary Public, State of Texas

STATE OF TEXAS *
COUNTY OF HAYS *

This instrument was acknowledged before me on the 31st day of August, 2002, by Donald Schawe, President of Frosty Bill Inc., General Partner, Grigio Partners Ltd., a Texas Partnership.




Notary Public, State of Texas

Article IV
Other Restrictions

Notwithstanding any provision of these restrictions to the contrary, the following restrictions shall apply to the Property:

1. These restrictions are imposed upon the Property which consists of 345 acres which is described in Exhibit A to this deed to which these restrictions are attached for a period ending on the first to occur of ten years from the date of this deed or the purchase of the option property which is described in Exhibit D to this special warranty deed which is attached hereto and incorporated herein for all purposes by the Grantee.

2. The Property described in Exhibit A is limited to a maximum of thirty-five lots with each lot being at least ten acres in size with no lot being able to be subdivided except that five lots may be resubdivided into two lots.

3. The Property described in Exhibit A is limited to a maximum of forty mobile homes on all of the Property.

4. No waiver of these restrictions during the period they are to be imposed pursuant to this special warranty deed except by the consent of the Grantor.